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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

# FIFTH COUNTRY PROGRAMME FOR PAKISTAN

| Programme period | Estimated resources | $ |
|---|---|---|
| July 1993-June 1998 | Net IPF | 89 724 000 |
| | Estimated cost-sharing | 7 200 000 |
| | Total | 96 924 000 |

CONTENTS


| | | Paragraphs | Page |
|---|---|---|---|
| I. | DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES | 1 - 12 | 2 |
| A. | Current socio-economic situation | 1 - 5 | 2 |
| B. | National development objectives and strategies | 6 - 12 | 3 |
| II. | EXTERNAL COOPERATION | 13 - 19 | 3 |
| A. | Role of external cooperation | 13 - 16 | 3 |
| B. | Coordination arrangements | 17 - 19 | 4 |
| III. | THE COUNTRY PROGRAMME | 20 - 64 | 5 |
| A. | Assessment of ongoing country programme | 20 - 27 | 5 |
| B. | Proposals for UNDP cooperation | 28 - 62 | 6 |
| C. | Assistance outside the main areas of concentration of the country programme | 63 | 13 |
| D. | Implementation and management arrangements | 64 | 14 |

Annexes

| | | |
|---|---|---|
| I. | Financial summary | 15 |
| II. | Programme matrix | 17 |


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# I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

## A. Current socio-economic situation

1. The economy of Pakistan has performed strongly in recent years, despite such external shocks as the Gulf crisis and the war in Afghanistan. During the 1980s, the real gross domestic product (GDP) grew at an average rate of 6 per cent per annum, exports grew by 10 per cent per annum and inflation stabilized at 6.5 per cent. However, important economic constraints remain, in the form of fiscal and balance-of-payments deficits, growing debt service payments, low savings and investment rates and inadequate social sector investment. For example, the debt service ratio in 1991/92 was 23.2 per cent, while expenditure on health and education was 2.8 per cent of gross national product (GNP).

2. Pakistan's strong economic performance has not been matched in terms of human development. According to the UNDP 1992 human development index, Pakistan ranks 120th out of 160 countries. Social indicators show high population growth, high levels of unemployment, a low adult literacy rate, high infant mortality rates, low life expectancy and lack of access to basic social services. The gender and urban biases of the social indicators lend an additional dimension to these problems. The high economic growth rate has been accompanied by the negative impact of industrial pollution, deforestation and land degradation on the environment.

3. To resolve the most pressing economic problems, a comprehensive Structural Adjustment Programme was adopted in 1988, with the support of multilateral and bilateral donors. Since then, there has been a decisive shift in overall policy, notably with respect to decentralization, privatization and deregulation. The fiscal independence of the provinces has been enhanced and a privatization programme is under way aimed at boosting efficiency and profitability. Deregulation, fiscal incentives and liberalization of exchange controls are likely to increase external aid and create a conducive investment climate.

4. A Social Action Programme (1992-1995) is being implemented with the assistance of a multi-donor support unit. It addresses the needs of primary education, nutrition, primary health care, population welfare and rural water supply and sanitation. The approval in early 1992 of the National Conservation Strategy (NCS) is expected to have far-reaching implications for sustainable development in Pakistan.

5. The flood of September 1992 resulted not only in substantial human and material losses for the country, but also in an enormous financial burden in terms of relief and rehabilitation, which will affect the amount of resources available for overall development. Approximately 6 million persons over an area of 1.3 million hectares were affected; preliminary estimates put the total cost of flood damage at $1.4 billion.

## B. National development objectives and strategies

6. Recognition of the socio-economic imbalance has resulted in increased emphasis at the policy level on improvement of the human condition. This is reflected in the draft Eighth Five-Year Plan (1993-1998), currently being finalized, which focuses on poverty alleviation and promotion of social development, as well as on accelerating economic growth through privatization and deregulation.

7. The key economic targets of the comprehensive Structural Adjustment Programme are: achieving a GDP growth rate of 7 per cent per annum; reducing the budget deficit to 5 per cent of GDP; and reducing the external deficit to 2.5 per cent of GDP.

8. Poverty alleviation is to be achieved through a strategy of promoting rural and social development, involving: programmes to increase agricultural productivity, particularly for small farmers; rapid expansion in rural infrastructure; incentives and policies to encourage industrialization in rural areas; implementation of the social action programme to expand basic services; building grass-roots institutions to enable the poor to increase savings, undertake projects and receive training; and integration of women in the development process in the productive as well as social sectors.

9. Social objectives highlighted in the plan include: increasing the literacy rate to 50 per cent, through special emphasis on primary education in rural areas, especially for girls; reducing the population growth rate to 2.7 per cent per annum; providing potable water to 75 per cent of the rural and 100 per cent of the urban population; providing basic health services for each Union Council; increasing life expectancy to 63 years; reducing infant mortality to 80 per 1,000 live births; and implementing a master plan for narcotics control.

10. In addition, 1 per cent of gross national product (GNP) has been allocated to pollution control and environmental protection in support of the recently adopted NCS prepared with support from the World Conservation Union (IUCN), the Canadian International Development Agency (CIDA) and the United Nations Development Programme (UNDP).

11. In recognition of the importance of governance, a "Working Group on Promotion of Good Governance" has been constituted, the findings of which will be incorporated into the Eighth Five-Year Plan.

12. The Government recognizes the linkage between structural weakness and human development. It acknowledges that these constraints must be removed if various policy efforts are to succeed in improving the human condition.

# II. EXTERNAL COOPERATION

## A. Role of external cooperation

13. External assistance has played a significant role in the financing of Pakistan's capital expenditures. On average, 20 per cent of total investment has been financed by foreign resources during the 1980s.

14. During 1991 to 1992, total disbursement of official loans and grants amounted to $2.32 billion, 7.7 per cent higher than the previous year. Of this, 66 per cent related to project aid, 15 per cent to non-food aid, 12 per cent to food aid and 7 per cent to relief assistance. The estimated portion of grant and grant-like assistance was 16 per cent, compared to 13 per cent in the previous year.

15. The leading donors in 1991 to 1992 were: the Government of the United States of America, the Asian Development Bank (ADB), the Government of Japan and World Bank Group. Of the total United Nations system development assistance of $58 million, UNDP provided $23.2 million.

16. Donor assistance has largely coincided with government budgetary priorities. The major recipients of assistance in 1990 were the agriculture, forestry and fisheries, transport and communications and energy sectors. Substantial amounts of government and donor funds have gone to support capital investments; relatively fewer have supported human development and operation and maintenance of the existing infrastructure. This imbalance has been recognized and, as a result, commitments to the social sectors are increasing.

## B. Coordination arrangements

17. The Ministry of Finance, through its Economic Affairs Division (EAD), is responsible for the coordination of foreign assistance to Pakistan. For projects implemented at the provincial level, the respective Provincial Planning and Development Departments are responsible for coordinating external cooperation. All formal requests by federal or provincial government ministries and departments must be cleared by EAD before external cooperation can be arranged. EAD is also the focal point for all technical cooperation among developing countries (TCDC).

18. An annual consortium meeting under the chairmanship of the World Bank serves as a forum for the Government and major donors to discuss and coordinate external assistance. Pledges by donors at the 1992 meeting amounted to $2.1 billion for 1992-1993. The Government submitted documentation, inter alia, on the Social Action Programme and the NCS. UNDP has been an active participant in these annual meetings and for the last two years has submitted separate documentation on foreign aid impact and human development to support the work of the consortium.

19. There is close collaboration between UNDP and the other United Nations development agencies in Pakistan. UNDP and its Joint Consultative Group on Policy (JCGP) partners, namely the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the United Nations Population Fund (UNFPA) and the International Fund for Agricultural Development (IFAD), are involved in integrating and co-financing technical cooperation activities. Linkages will be further strengthened through the move towards joint programming by the United Nations system. Such efforts are already well under way in the fields of population, basic education and rural employment/income, involving 14 United Nations agencies. During the country programme, these and other activities will be built upon so that the United Nations system in Pakistan acts increasingly as one programme.

## III. THE COUNTRY PROGRAMME

### A. Assessment of ongoing country programme

20. The fourth UNDP country programme (1987-1992) was launched at a time of rising levels of foreign aid commitments targeted in particular at the productive sectors. Hence, the fourth country programme aimed to utilize development resources for government investment programmes more effectively and to increase the absorptive capacity of the national development infrastructure.

21. UNDP access to expertise from around the world was of benefit in a wide range of situations where global advancements in technology and related standards needed to be adopted. UNDP also contributed in the more traditional development context in rural and remote areas where a combination of social, economic and cultural variables affect the required mix of technical inputs.

22. UNDP programme delivery showed a marked improvement over the period, with average annual expenditure doubling and the implementation rate reaching 85 per cent. Attention to thematic issues resulted in qualitative improvements in country programme activities, including: systematic attention to gender-sensitive project design and implementation; environmental impact analyses for major new projects; and ongoing review of the programme to incorporate population growth issues. Furthermore, the Government and UNDP have made considerable efforts to improve the quality of project monitoring and evaluation.

23. Nevertheless, in the country programme's main area of concentration - support to investment - impact was limited. Furthermore, UNDP assistance to agricultural and industrial development institutions has had relatively little impact on end-users. While many projects met their immediate objectives in terms of strengthening of institutions, all too often the capacity established remained underutilized and the institutions' work was of limited relevance to end-users.

24. Employment of national professionals in projects trebled during the fourth country programme. A majority of projects utilized the services of national directors and many benefited from short-term technical advisory services of Pakistani consultants. The use of national experts and consulting firms has proven to be technically valuable and cost-effective. The use of non-traditional expertise also increased during the country programme, for example, through non-governmental organizations (NGOs) and United Nations Volunteers (UNV) specialists through the Partners for Development Programme and trickle-up programmes.

25. The shift to national execution has begun and use of this modality is currently being expanded. Progress has been made towards a programme approach at a number of levels:

(a) At the national level, UNDP has supported the development of the Social Action Programme and establishment of a multi-donor support programme for the programme;

(b) At the regional level, programmes have been formulated for the integrated development of selected areas; and

(c) As a step towards the programme approach, ongoing and pipeline projects have been linked through common umbrella programmes.

Project-level expertise has been utilized increasingly to provide technical support at the sector and programme level, in particular for programme development.

26. Two areas of major weakness in the fourth country programme were the proliferation of projects and the lengthy approval process. Both contributed to reducing the impact of UNDP assistance. The number of projects is largely a reflection of the size and complexity of Pakistan's development effort. Despite the intent at the start of the country programme to reduce the number of projects and increase their size, the number grew as implementation of the programme accelerated. By the end of the fourth country programme there were 89 ongoing and 45 pipeline projects. This diffusion hampered the ability of the Government and UNDP to support and monitor projects.

27. Some constraints were encountered in meeting counterpart financing requirements. This should be viewed within the context of: (a) the Government's efforts to meet International Monetary Fund (IMF)/World Bank structural adjustment targets; and (b) the high proportion of the budget committed to defense and interest payments. In 1991-1992, defence and interest payments were equivalent to two thirds of total government revenue.

## B. Proposals for UNDP cooperation

### 1. Preparatory process

28. The preparatory process consisted of four major stages:

(a) The 1990 mid-term review of the fourth country programme, at which the limited attention given to social sector issues was recognized and new initiatives for human development were endorsed by both the Government and UNDP. Parallel to this review was a joint Government/UNDP study, "The Effectiveness of Aid to Pakistan", which concluded that in many respects external assistance had not been effective;

(b) The commissioning of a series of studies relating to human development. "Balanced Development: An Approach to Social Action in Pakistan" (1992) applied the concepts and analyses of the UNDP Human Development Report to Pakistan. In addition, an extensive review of public-sector management was undertaken in mid-1991, supported by the UNDP Management Development Programme (MDP). Preparation of both reports involved wide-ranging consultations with officials from different levels of Government, the private sector, the NGO community, donors and academics. The results contributed significantly to preparation of the Social Action Programme and the contents of the fifth country programme;

(c) The submission of the UNDP advisory note, which served as the basis for a series of meetings with UNDP involving EAD, the Planning Commission, key federal ministries, provincial government and the NGO community; and

(d) The formation of a working group in the Planning Commission to prepare the draft country programme document.

## 2. Strategy for UNDP cooperation

29. Pakistan's national development objectives and strategies for the eighth Five-Year Plan highlight human development issues. In particular, the national strategies for promoting social and rural development closely match UNDP areas of comparative advantage in capacity-building and cross-sectoral programming and conform closely to such UNDP Governing Council theme areas as poverty alleviation, environment, women in development and management development. With Pakistan's changing national development objectives and strategies and, in particular, the emphasis on social issues, UNDP is well placed to assist in the elaboration and implementation of these programmes through policy advice, consultancy/advisory inputs, training and exchange of experience with other countries.

30. To gain maximum impact from limited resources, UNDP assistance will focus on:

(a) Assistance in the development of national programmes in the proposed areas of concentration;

(b) Assistance in mobilizing and coordinating donor inputs in national programmes. UNDP will help develop the programmes in such a way that other donors will be attracted to fund key areas of their implementation; and

(c) Development of management systems to coordinate implementation and monitoring and evaluation of multi-agency, multi-donor programmes.

31. The proposed social sector technical cooperation needs assessment will be used to assist in ensuring a coherent approach in implementation of social sector programmes. It will address the issues of proliferation of projects, coordination of aid and, most importantly, the national capacity to coordinate technical cooperation effectively. Much of the work done thus far in the social sector points to a need for radical changes in public-sector management if the new programmes are to succeed. The MDP will be used to help devise suitable entry points for the institutional reform process and to enhance institutional capacity to absorb external assistance.

32. The fifth country programme will, therefore, concentrate on a small number of key government programmes in a much more focused manner than in the previous programme. All pipeline projects and, where feasible, ongoing projects will be examined for consistency with these themes; those that do not fit will be eliminated.

33. As part of the strategy, efforts will continue to coordinate United Nations system development assistance at the programming and operational levels. As a

first step towards a more integrated United Nations response to the needs of national programmes, a common agenda relating to human development has been adopted and inter-agency working groups established to identify areas for specific collaboration. This will be built upon during the fifth country programme to maximize the impact of United Nations assistance.

### 3. Proposed UNDP cooperation in selected areas of concentration

34. Poverty alleviation is a multidimensional problem that must be dealt with in a comprehensive and integrated manner if any sustainable impact is to be achieved. In the fifth country programme, UNDP assistance to alleviate poverty will be based on national strategies for rural and social development in the following areas:

(a) Raising levels of human development, particularly for the poor, by supporting the Social Action Programme;

(b) Supporting management of the environment and natural resources in accordance with the NCS;

(c) Supporting income-generation, employment and productivity, including targeted programmes aimed at improving the productivity of the poor; and

(d) Promoting institutional reforms that make national institutions more responsive to the needs of the poor.

#### Support for the Social Action Programme

35. National objectives/programmes requiring UNDP assistance. Although Pakistan had one of the fastest growing economies in the world during the 1980s, it lagged in terms of human development. To correct this imbalance the Government has undertaken a Social Action Programme which addresses the needs of primary education, nutrition, primary health care, population welfare and rural water supply and sanitation. It is intended to improve the coverage, quality and effectiveness of service delivery in these sectors. The Social Action Programme strategy is composed of three elements: setting social sector performance targets for the provinces; prioritizing financing requirements; and setting policy and institutional reforms aimed at removing the obstacles to social service delivery, particularly for women in rural areas.

36. Proposed UNDP cooperation. UNDP cooperation, as a part of a multi-donor programme to support the further development and implementation of the Social Action Programme, will be geared towards setting up programme frameworks at the provincial and federal levels to manage implementation and to monitor, evaluate and, if necessary, revise activities. UNDP will support the reform and strengthening of institutions that deliver social services to the poor and assist specific projects and/or programmes under the overall social action umbrella, with emphasis given to devising modalities and incentives for increasing the enrolment of girls in primary schools, particularly in rural areas. Wherever possible, ongoing UNDP projects related to the Social Action Programme will be adapted so that they are fully consistent with it. This will

include activities to increase awareness of, and reduce the spread of the human immunodeficiency virus (HIV)/acquired immune deficiency syndrome (AIDS) in Pakistan.

37. Expected results and impact. UNDP contributions are expected to strengthen the programme framework and institutions required for the successful implementation of the Social Action Programme by the federal and provincial governments, the private sector and NGOs. Successful implementation will increase the participation rate for girls in primary education from 49.2 per cent to 63.3 per cent and reduce the rate of population growth from 3 per cent to 2.5 per cent by the end of the decade. Basic health units and rural health centres will be upgraded; and rural water supply and sanitation coverage will increase from 44 per cent and 12 per cent to 61 per cent and 25 per cent, respectively, by 1995.

38. Complementary assistance. The Social Action Programme receives assistance from a number of donors, whose work is supported by a multi-donor unit created in September 1992. These donors include the World Bank, ADB, the Norwegian Agency for International Development (NORAD) and the Governments of Canada, Japan and the United States. The 14 United Nations agencies making up the United Nations development system in Pakistan, both individually and through inter-agency working groups, are supporting design and implementation of the Social Action Programme.

39. UNDP assistance to the national HIV/AIDS Prevention and Control Programme will build upon the UNDP/World Health Organization (WHO) global programme on HIV/AIDS and the analysis being made of the development implications of AIDS for Asia and the Pacific region. Pakistan will host the joint UNDP/United Nations Educational, Scientific and Cultural Organization (UNESCO) Intercountry Consultation on Basic Education in February 1993, leading to a regional initiative in the area of basic education.

Environmental protection and natural resources management

40. National objectives/programmes requiring UNDP assistance. The Government is committed to confronting the serious environmental crisis in Pakistan. Problems of land degradation, pollution, deforestation and, inequitable access to safe water supplies are increasingly hampering development and in particular, limiting opportunities for the poor. The NCS adopted in March 1992 is a call to action addressed at provincial and local governments, businesses, NGOs, local communities and individuals. It recommends 14 core programme areas for priority implementation through three operating principles: achieving greater public partnership in development and management; combining environment and economics in the decision-making process; and focusing on durable improvements in the quality of life. The Government has begun to strengthen its capacity to deal with these issues and to make existing government and non-governmental institutions more sensitive to environmental concerns.

41. Proposed UNDP cooperation. UNDP has played an advocacy role in environmental protection and has been an active supporter of the formulation of the NCS in Pakistan. In partnership with the Government, IUCN and the International Institute for Environment and Development (IIED) assisted UNDP in the preparation of Pakistan's report to the United Nations Conference on

Environment and Development (UNCED) and will provide support in building capacity to implement Agenda 21 through the UNDP Capacity 21 programme. All new projects are assessed for their environmental impact, a process which will be strengthened by the application of the UNDP environmental management guidelines.

42. UNDP will assist in setting up the programme framework and institutions required for implementation and management of the NCS and the provincial conservation strategies. Emphasis will be placed on capacity-building at the provincial and local levels of government and on selected NGOs. Furthermore, UNDP programmes and projects will be undertaken within the framework provided by the NCS. Special attention will also be given to the participation of women in both decision-making and programme implementation.

43. UNDP will assist national initiatives directly related to natural resource management which build upon ongoing UNDP activities. Cooperation in the energy sector will focus on the efficient use of energy resources. Through assistance to integrated development programmes targeted at the poor, particularly in remote areas, UNDP will support the sustainable management of natural resources and the building of capacities in Government and in communities to manage these resources.

44. To alleviate the growing problem of inadequate disposal of industrial, and often toxic waste, UNDP is assisting in formulating an integrated plan for effluent management and treatment, to serve as the basis for action by a number of government agencies, industries, associations, NGOs and multilateral and bilateral donors.

45. Expected results and impact. The country programme will have a direct impact on increasing institutional capacity for environmental planning and management at the national, provincial and community levels, and on increasing private-sector and NGO participation in solving environmental problems. Where necessary, and in conjunction with the larger programme, institutions will undergo reform in order to support sustainable development and to promote community participation in environmental management activities. Development of Pakistan's natural resources on a sustainable basis will be strengthened. Cost-effective pollution control programmes will be established in relevant areas.

46. Complementary assistance. Many donors, in particular the World Bank, ADB, IUCN, the European Economic Community (EEC) and the Governments of Canada, the Netherlands, Norway, Switzerland and the United Kingdom of Great Britain and Northern Ireland, have already indicated their support for NCS programmes. Such assistance will build on substantial ongoing programmes supported by such major donors as IFAD, WFP, the United States Agency for International Development (USAID), the World Bank and the Governments of Canada and the United Kingdom, related to natural resource management. The Food and Agriculture Organization of the United Nations (FAO) and the Department of Economic and Social Development of the United Nations Secretariat (DESD) will work closely with UNDP in implementing activities.

47. UNDP will provide additional funds from the Global Environment Facility (GEF) to support biodiversity protection and wildlife resource management by communities and to reduce vehicle emissions. The Government will also participate in a regional programme for development of the Least-Cost Greenhouse

Gas Emission Plan in Asia. Under the GEF Small Grants Programme, innovative community-based initiatives will be tested for expansion and replication as part of an effort to decentralize natural resource management and build capacity of local communities.

48. Through such UNDP-supported regional initiatives as Asia-Pacific 2000, grants will be provided to environmental NGOs to assist communities in environmental management. In addition, Pakistan is participating in the pilot Sustainable Development Network, which will facilitate information exchange on environmental issues between the Government, NGOs, the private sector and international partners. Technical cooperation in Pakistan will further be linked with regional initiatives in the fields of forestry, watershed management, fisheries, renewable resources and environmental training.

Income generation, employment and productivity

49. National objectives/programmes requiring UNDP assistance. The Government is undertaking a number of programmes to alleviate poverty through income generation in both rural and urban areas. The National Rural Support Programme is adopting community development mechanisms formulated by the Agha Khan Rural Support Programme as a modality for implementing income-generating programmes on a nationwide scale. These will continue to emphasize agricultural activities (with programmes targeted in areas where poverty has persisted) and improvement in productivity both in agriculture and manufacturing.

50. The average rate of growth in agricultural productivity during the 1978-1991 period was estimated at 1.4 per cent per annum, well below the population growth rate. One reason for the overall low growth in yields is that the "green revolution" largely bypassed small farmers due to ineffective extension services; as a consequence their productivity is generally lower than the average for all farmers. Accordingly, improved farming systems will be developed that target small farmers, using the participatory mechanisms outlined above. Emphasis will also be placed on conservation-based land use, efficient and sustainable exploitation of water resources and expansion of infrastructure and institutional support.

51. Improved productivity in manufacturing, where trends have been similar, is also planned. The current reform programme involving trade liberalization and privatization has created an environment favourable to the growth of industry at all levels and is expected to result in increased efficiency and productivity. A number of programmes have been created to help the small entrepreneur and stimulate small enterprise development, but much remains to be done to facilitate this process. Government institutions, such as those offering technical support and training to the private sector, are unresponsive to the need to become demand-driven and must be reoriented in line with the new economic approach. The private sector also requires assistance in adjusting to the new economic environment, in such areas as technology adaptation, knowledge of the market system and management training.

52. Proposed UNDP cooperation. UNDP will continue to assist in designing area development programmes targeted at poorer rural communities and aimed at improving the overall quality of life. The principal entry point will be through an increase in agricultural productivity, the main source of income in

such communities. The strategy will be participatory, building on the experience of the Agha Khan Rural Support Programme, and will be based on an environmentally sustainable development approach. Through collaboration within the United Nations system and with other donors, and linked to the Social Action Programme, efforts will also address such non-agricultural issues as rural education, health care and water supply.

53. UNDP will assist in encouraging private-sector growth as a means of promoting income generation. The country programme will support the preparation of a comprehensive programme for private-sector development, focusing on the entrepreneurial development of small-scale enterprises and on the elimination of constraints which hinder more rapid private-sector development. This will involve working with chambers of commerce and industry to enable them to provide support to the private sector.

54. Assistance will also be provided to bridge the gap that exists between the needs of the private sector and the services offered by the Government. These services include product design, technology development, applied research, management training and vocational training, areas where a strategic coordinated approach is needed to strengthen linkages with the private sector. By creating a process which gives the private sector a leading role in the development of these services, a more supportive environment for commercial activity will be fostered.

55. Expected results and impact. The area development programmes will have a direct impact on the quality of life and incomes in poor rural communities, particularly in the remote areas of Pakistan, by increasing agricultural productivity, promoting environmental rehabilitation and conservation and improving social services.

56. Promotion of entrepreneurial activities at the grass-roots level will help increase the number of small businesses, thereby expanding employment opportunities and generating income.

57. A range of government services will be made more responsive to the needs of the private sector, helping Pakistan respond to the opportunities created by the Structural Adjustment Programme and facilitating growth in employment and income.

58. Complementary assistance. The preparation of area development programmes, support for private-sector development (including the promotion of small-scale enterprises) and the reorientation of government support services will provide a framework for mobilizing additional resources from other donors. The small-scale enterprise programme will build on assistance already provided through the German Agency for Technical Cooperation GTZ and will incorporate the activities of UNDP-supported regional programmes for micro-enterprise development, in particular relating to credit for income-generating activities for the poor and to development of entrepreneurial skills. IFAD and the other JCGP partners will be closely involved in the area development programmes. Pakistan will also coordinate an intercountry programme for innovative policy approaches to entrepreneurial skills and micro-enterprises development, to enhance income generation and poverty alleviation by contributing, through appropriate public- and private-sector policy interventions, to the creation of a larger pool of

manpower resources in the region with expertise in micro-entrepreneurial and other areas of productive employment.

Institutional reform

59. National objectives/programmes requiring UNDP assistance. An efficient machinery for creating and implementing policy and delivery services is an absolute requirement for achieving national development objectives. Studies, in particular those on balanced development, have emphasized major weaknesses in the structure and performance of public-sector institutions, especially those dealing with the Social Action Programme and NCS. While these weaknesses manifest themselves in blockages, inadequate access to services by the poor and inefficient use of human resources, their solutions are system-wide. To achieve the objective of improving services at the community and grass-roots level, actions are required in such aspects of institutional reform as: roles and capacities of local government institutions; gender awareness in the civil service; community participation mechanisms; government-NGO relations; revenue sharing arrangements between federal, provincial and district levels; and reform of provincial administration, including programme monitoring systems.

60. Proposed UNDP cooperation. Support will be provided from MDP resources to assist in identifying the systemic changes that are required and to formulate policies that will facilitate the reform process. Assistance will also be provided through the already established coordination mechanisms of the Social Action Programme and the NCS, in order to decentralize and strengthen community-level institutions needed to promote grass-roots participation in the development process. An umbrella technical cooperation programme in support of institutional reform will be prepared to provide a conceptual framework for specific projects in the area.

61. Expected results and impact. Assistance in institutional adjustment is expected to enhance the capacity of the Government to translate national policies into operational programmes, particularly in the social sector where improved access by poor women and, more generally, socially disadvantaged groups is needed. The programme will expand community participation in the development process and the involvement of NGOs in the implementation of rural and urban community-managed development programmes. Such adjustments will encourage donors to increase external funding for development; in addition, institutional reform is likely to result in more efficient use of limited national resources.

62. Complementary assistance. UNDP assistance will be utilized to prepare an overall programme of public-sector reform and to implement specific components relating to decentralization, the Social Action Programme and NCS. The World Bank and ADB are expected to be involved in other aspects of the programme.

### C. Assistance outside the main areas of concentration of the country programme

63. Twelve per cent of resources of the fifth country programme will be used for key UNDP inputs outside of the four programme areas. Such small-scale, flexible assistance, if used carefully, can meet important national needs. The principal purpose is to follow up on earlier UNDP assistance, especially in

areas where considerable government and UNDP resources have already been invested, and in which a small amount of additional assistance is necessary to obtain a full return on earlier investment. The balance will be allocated to fulfil commitments to ongoing projects from the previous country programme.

## D. Implementation and management arrangements

64. In preparing the country programme, attention has been given to relevant Governing Council decisions on the programme approach and national management of the development process. In this regard, during the fifth country programme:

(a) Projects that are ongoing or in the pipeline will be reviewed to ensure that they conform to the extent possible to overall objectives of the country programme as defined by the four programme themes. All current pipeline projects fall within the four areas of concentration, representing a tentative budget allocation of about $18 million;

(b) Projects of the fifth country programme will be prepared in such a way that they address the four themes in a cross-sectoral and comprehensive manner, thereby avoiding a compartmentalized approach to broad-based issues;

(c) The country programme will be coordinated with the programmes of other United Nations organizations and donors in order to minimize duplication of efforts and maximize impact;

(d) Projects will make maximum use of various schemes available through the United Nations system to enhance the effectiveness and efficiency of UNDP activities in Pakistan, such as UNV, TCDC, NGOs, the Transfer of Knowledge through Expatriate Nationals (TOKTEN) and United Nations Short-Term Advisory Resources (UNISTAR);

(e) It is hoped that by the end of the country programme, 50 per cent of projects will be nationally executed. To this end, training workshops will be held, indicative planning figure and administrative and operational services (AOS) resources will be made available and, where required, institutional support will be provided. In addition, technical support services (TSS-2) resources will be used for implementation and monitoring of the programme;

(f) Particular attention will be given to programme management in order to ensure coordinated and effective implementation. As most projects will involve more than one government agency, the appointment of a national programme manager for each area will ensure an integrated approach to programme implementation.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

| | | |
|---|---|---|
| Carry-over from fourth cycle IPF (1987-1991) | 4 794 | |
| Fifth cycle IPF (1992-1996) | 87 638 | |
| plus 18 months sixth cycle IPF (Jan. 1997-June 1998) | 26 292 | |
| less: estimated expenditures Jan. 1992-June 1993 | 29 000 | |
| Subtotal IPF | | 89 724 |
| Project cost-sharing (Government) | | |
| Project cost-sharing (third-party) | 7 200 a/ | |
| Programme cost-sharing | | |
| Subtotal cost-sharing | | 7 200 |
| TOTAL | | 96 924 |

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

| Area of concentration | IPF | Cost-sharing | Total | Percentage of total resources |
|---|---|---|---|---|
| SOCIAL ACTION PROGRAMME | 17 000 | 2 500 | 19 500 | 20.12 |
| ENVIRONMENT/NATURAL RESOURCES | 14 000 | 2 000 | 16 000 | 16.51 |
| INCOME GENERATION | 19 000 | 1 000 | 20 000 | 20.63 |
| INSTITUTIONAL REFORM | 9 000 | 1 700 | 10 700 | 11.04 |
| OTHER | 8 812 | - | 8 812 | 9.09 |
| Subtotal | 67 812 | 7 200 | 75 012 | 77.39 |
| Unprogrammed reserve | 21 912 | 0 | 21 912 | 22.61 |
| TOTAL | 89 724 | 7 200 | 96 924 | 100.00 |

a/ Estimated at 8 per cent of available IPF resources.

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN UNDP AREAS OF CONCENTRATION

(Thousands of dollars)

| | | | |
|---|---|---|---|
| A. | UNDP-administered funds | | |
| | SPR | 4 000 | |
| | UNCDF | 0 | |
| | UNSO | 0 | |
| | UNIFEM | 500 | |
| | UNRFNRE | 0 | |
| | UNFSTD | 250 | |
| | Global Environment Facility (GEF) (GEF I, 13,000 + GEF II, 20,000) | 33 000 | |
| | Subtotal | | 37 750 |
| B. | Other United Nations resources | | |
| | JCGP participating agencies | | |
| | UNFPA | 18 000 | |
| | UNICEF | 57 200 | |
| | WFP | 72 670 | |
| | IFAD | 43 830 | |
| | Other United Nations agencies (non-UNDP financed) (UNDCP: $20 million; FAO: $9 million; WHO: $9 million; UNESCO: $1 million; ILO: $4.5 million; UNIDO: $0.8 million) | 44 300 | |
| | Subtotal | 236 000 | |
| | Total non-core and other United Nations resources | | 273 750 |
| C. | Non-United Nations resources | | 28 000 |
| | TOTAL | | 301 750 |

Annex II

PROGRAMME MATRIX

| | Area of concentration | Area of focus: Poverty eradication and grass-roots participation | Environment and natural resource management | Management development | TCDC | Transfer and adaptation of technology | WID |
|---|---|---|---|---|---|---|---|
| I. | SOCIAL ACTION PROGRAMME | | | | | | |
| | Education | * | * | * | * | * | * |
| | Health | * | * | * | * | * | * |
| | Women | * | * | * | * | * | * |
| II. | ENVIRONMENTAL PROTECTION | | | | | | |
| | Institutional development | * | * | * | * | * | * |
| | Natural resources management | * | * | * | * | * | * |
| | Pollution control | * | * | * | * | * | * |
| III. | INCOME-GENERATION | | | | | | |
| | Area development | * | * | * | * | * | * |
| | Small-scale enterprises | * | * | * | * | * | * |
| | Support services | * | * | * | * | * | * |
| IV. | INSTITUTIONAL REFORM | | | | | | |
| | Management Development Programme | * | * | * | * | * | * |
| | Community participation | * | * | * | * | * | * |

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